



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

SEP 27 2013

Kathryn Biber, General Counsel
Timothy E. Kronquist, Esq.
Romney for President, Inc.
P.O. Box 149756
Boston, MA 02114-9756

Re: MUR 6692 (Romney for President, Inc.)

Dear Ms. Biber and Mr. Kronquist:

On November 16, 2012, the Federal Election Commission notified your clients, Romney for President, Inc. and Darrell Crate in his official capacity as treasurer, of a complaint alleging violations of the Federal Election Campaign Act of 1971, as amended. On September 24, 2013, the Commission found, on the basis of the information in the complaint, and information provided by your clients, that there is no reason to believe they violated 11 CFR 110.8(d). Accordingly, the Commission closed its file in this matter.

Documents related to the case will be placed on the public record within 30 days. See Statement of Policy Regarding Disclosure of Closed Enforcement and Related Files, 68 Fed. Reg. 70,426 (Dec. 18, 2003) and Statement of Policy Regarding Placing First General Counsel's Reports on the Public Record, 74 Fed. Reg. 66132 (Dec. 14, 2009). The Factual and Legal Analysis, which explains the Commission's findings, is enclosed for your information.

If you have any questions, please contact Kamau Philbert, the attorney assigned to this matter, at (202) 694-1650.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark D. Shonkwiler", written over a horizontal line.

Mark D. Shonkwiler
Assistant General Counsel

Enclosure
Factual and Legal Analysis

13044344398

1
2
3
4
5
6
7
8
9
10
11
12
13

FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

14
15
16
17
18
19
20
21
22
23
24
25
26

RESPONDENTS: Ryan for Congress and Paul Mair in his official capacity as treasurer MUR: 6692

Romney for President, Inc. and Darrel Crate in his official capacity as treasurer

I. INTRODUCTION

The Complaint alleges that Ryan for Congress, the principal campaign committee for Representative Paul Ryan's 2012 congressional re-election, violated 11 C.F.R. § 110.8(d) by improperly paying for hotel rooms utilized by Romney for President, Inc., the principal campaign committee for Paul Ryan as the 2012 Republican Party Vice Presidential nominee ("Romney for President"), at the 2012 Republican National Convention (the "Convention") held from August 27 to 30, 2012 in Tampa, Florida. Ryan for Congress provided a sworn affidavit from its treasurer stating that the hotel rooms were used to promote Ryan's congressional re-election, and that Romney for President reimbursed Ryan for Congress for the costs of any rooms used to promote Ryan's vice presidential campaign. Given the available information, the Commission finds no reason to believe that Ryan for Congress, Paul Mair in his official capacity as treasurer, Romney for President, Inc., and Darrel Crate in his official capacity as treasurer violated 11 C.F.R. § 110.8(d), and closes the file.

13044344399

II. FACTS

A. Background

In 2012, Representative Paul D. Ryan was a candidate for both the First Congressional District of Wisconsin and for Vice President of the United States. The Ryan Committee is Ryan's 2012 congressional campaign committee, and Paul Mair is its treasurer. Romney for President, Inc. (the "Romney Committee") was the principal campaign committee for Ryan's vice presidential campaign, and Darrel Crate is its treasurer.

The Complaint alleges that the Ryan Committee spent \$59,603.41 for 20 hotel rooms and other expenses at the Convention and that at least some portion of the expenses was used to unlawfully promote Ryan's vice presidential campaign. Compl. at 2. The Complaint alleges that the rooms should have been paid for by Ryan's vice presidential campaign. *Id.* The Complaint's assertions appear to have been derived entirely from an internet article regarding the Ryan Committee's October 2012 Quarterly Report (Oct. 4, 2012) ("October 2012 Report") and 2012 Pre-General Report (Oct. 19, 2012) ("2012 Pre-General Report"), which was attached to the Complaint.¹ Hunter Walker, *Paul Ryan's 'Problematic' RNC Spending Spree*, POLITICKER (Oct. 25, 2012), <http://politicker.com/2012/10/paul-ryan-campaign-money/> ("Politicker Article"). The Politicker Article surmised that, because the number of hotel rooms appeared to exceed the

¹ The Complaint did not provide a basis for the alleged \$59,603.41 amount, and it is unclear from which entries in the Ryan Committee's disclosure reports the figure was derived. As described below, the discernible Convention-related entries in the disclosure reports total \$56,477.61. In connection with the August 27-30, 2012, Convention, the Ryan Committee disbursed \$34,854.35 to the Tampa Marriott Waterside Hotel (the "Marriott") and \$4,183.20 to the Hyatt Regency Tampa (the "Hyatt") on August 31, 2012. *See* October 2012 Report. It also disbursed \$1,057.40 to Delta Airlines on August 27, 2012 for hotel rooms and \$4,154.50 to several airlines between August 26 and 28, 2012 for travel to the Convention. *Id.* The Ryan Committee disclosed the disbursements along with a \$2,768.38 reimbursement from the Romney Committee on September 27, 2012 for using the Ryan Committee's rooms at the Marriott. The Ryan Committee further disbursed \$16,411.36 on October 1, 2012 for additional rooms at the Renaissance Tampa International Hotel (the "Renaissance") during the Convention and disclosed the disbursement in its original 2012 Pre-General Report.

1 number of Ryan Committee campaign staff members reported to be attending the Convention,
2 the rooms must have been used to benefit the vice presidential campaign. The Politicker Article
3 further noted that it contacted Ryan's congressional campaign manager, Kevin Seifert, but he did
4 not offer an explanation for the relatively large number of rooms at the Convention. *Id.* at 3.

5 The Ryan Committee acknowledges that it paid for rooms at the Marriott, the
6 Renaissance, and the Hyatt during the Convention. Ryan Committee Resp., Attach (Paul Mair
7 Aff. (Dec. 13, 2012)) ("Paul Mair Aff."). The Ryan Committee states that it spent a total of
8 \$41,232.07 (not \$59,603.41) for the hotel rooms. *Id.* at 2. The Ryan Committee explains that it
9 ultimately paid \$20,637.51 for twelve rooms at the Marriott, after receiving a \$2,768.38
10 reimbursement from the Romney Committee for using some of the Marriott rooms² and a
11 \$7,396.23 credit from the Marriott for an overcharge of its down payment. *Id.* at 1. The Ryan
12 Committee further explains that it paid \$16,411.36 to the Renaissance for nine rooms and
13 \$4,183.20 to the Hyatt to reserve an unspecified number of rooms that were never used, the
14 deposit for which was not refundable. *Id.* at 2.

15 Respondents assert that the Complaint "does not identify any transactions that it believes
16 were 'clearly meant to promote Congressman Ryan's candidacy for Vice President'" and that the
17 Complaint "has provided no evidence that any [Ryan Committee] funds were misused or
18 improperly spent." Ryan Committee Resp. at 3, 5. Respondents explain that Ryan's duties as a
19 Vice Presidential nominee resulted in the Ryan Committee "relying heavily on [Committee] staff

² The \$2,768.38 reimbursement was disclosed in the October 2012 Report as a receipt with a purpose stating "Reimbursed for Convention room expense." The entry appeared in an amended October 2012 Report, dated November 8, 2012, and the Commission's Reports Analysis Division ("RAD") sent a Request for Additional Information ("RFAI") to the Ryan Committee on November 29, 2012, seeking clarification of the reimbursement because a corresponding disbursement was not apparent. In a further amended October 2012 Report, dated November 30, 2012, the Ryan Committee revised the purpose to state "Reimbursed/room paid to Marriott Waters."

1 and volunteers,” as opposed to the candidate himself, to promote Ryan’s congressional campaign
2 and that such activity is consistent with the “wide discretion” candidates have over committee
3 funds. *Id.* at 3, 5. Respondents assert that they kept each campaign’s expenses separate and note
4 that the Complaint ignored or overlooked the \$2,768.38 Romney Committee reimbursement. *Id.*
5 at 6-7. Accordingly, Respondents argue, the Ryan Committee’s funds were “properly and
6 exclusively used for the benefit of Congressman Ryan’s Congressional Campaign.” *Id.* at 1.

7 III. LEGAL ANALYSIS

8 The Commission’s regulations require that, when “an individual is a candidate for more
9 than one Federal office . . . he or she must designate separate principal campaign committees.”
10 11 C.F.R. § 110.8(d)(1). Further, the regulations establish a general rule that “[n]o funds, goods,
11 or services . . . may be transferred between or used by the separate campaigns.” *Id.*
12 §§ 110.8(d)(2), 110.3(c)(5); *see* 2 U.S.C. § 441a(a)(5)(C). Dual campaigns of a Presidential
13 candidate who is not receiving public financing, however, may share personnel and facilities as
14 long as expenditures are allocated between the two campaigns and payments made from each
15 campaign account reflect the allocation. 11 CFR § 110.8(d)(3); Advisory Op. 1995-3 (Gramm)
16 at 2.

17 As Ryan and Romney did not receive presidential public financing, the Ryan Committee
18 could share its hotel rooms with the Romney Committee if both committees pay for their
19 respective use. *Id.* Respondents assert that each campaign properly paid for its respective use of
20 the hotel rooms, as evidenced by the Romney Committee’s September 27, 2012, reimbursement.
21 Ryan Committee Resp. at 6. The reimbursement demonstrates that Respondents attempted to

1504434402

1 comply with the allocation requirement under 11 CFR § 110.8(d)(3).³ The explanation is further
2 supported by an affidavit by the Ryan Committee's treasurer: Paul Mair Aff. ¶¶ 4, 8.

3 The Complaint's emphasis on the number of rooms relative to the number of Ryan
4 Committee personnel implies that the reimbursement may not have been proportional to each
5 campaign's use of the rooms. But the Ryan Committee's treasurer affirms that the \$41,232.07
6 spent on hotel rooms accurately reflects Ryan Committee activities to promote Ryan's
7 congressional re-election campaign. See Paul Mair Aff. ¶¶ 4-6, 8. Further, the Complaint
8 questions whether the number of volunteers at the Convention was integral to Ryan's
9 congressional re-election campaign. Although the Ryan Committee does not describe the
10 activities its staff and volunteers undertook on behalf of Ryan's congressional campaign at the
11 Convention, there is no information that casts doubt on the Ryan Committee treasurer's
12 representations. And as the Ryan Committee correctly states, "candidates have wide discretion
13 over the use of campaign funds." Expenditures; Reports by Political Committees; Personal Use
14 of Campaign Funds, 60 Fed. Reg. 7862, 7867 (Feb. 9, 1995). There is therefore no available
15 information to provide a reasonable basis to conclude that further enforcement action is
16 warranted. See Statement of Policy Regarding Commission Action in Matters at the Initial Stage
17 in the Enforcement Process, 72 Fed. Reg. 12,545, 12,546 (Mar. 16, 2007) (no reason to believe
18 finding appropriate when the available information fails to give rise to a reasonable inference
19 that a violation has occurred).

³ Neither the Complaint nor the Politicker Article mentioned or addressed the Romney Committee reimbursement of the Ryan Committee for the use of some hotel rooms.

1304434403

1 Based on the above, the Commission finds no reason to believe that Ryan for Congress,
2 Paul Mair in his official capacity as treasurer, Romney for President, Inc., and Darrel Crate in his
3 official capacity as treasurer violated 11 C.F.R. § 110.8(d), and closes the file.

1304434404